

Village Fund Financial Fraud Prevention Model Using Analytical Hierarchy Process Method

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Abstract

The objectives of this study are (1). Identify the factors that cause fraud in village fund management in Banten Province (2). Develop a village fund fraud prevention model using the Analytical Hierarchy Process method. Data collection methods were carried out by in-depth interviews and Focus Group Discussion (FGD) by inviting academics and experts. The analysis technique uses the Analytical Hierarchy Process (AHP) to model the prevention of village fund fraud in Banten Province. **Findings.** The results of this study indicate that the actor who is considered the most dominant in the occurrence of fraud is the Village Head, and the strategy that is considered the most dominant in preventing fraud is to narrow the opportunities. When viewed from the perspective of a strategy to minimize pressure, the most important aspect is the change in external auditors, from a strategy perspective of narrowing opportunities, the most important aspect is to streamline monitoring, then from the perspective of negative rationalization strategies and positive competency strategies, the most important aspects include ethics education moral and management change, and the last aspect of the closeness of the ruler is the most important aspect in the strategy perspective to reduce arrogance.

1. Introduction

Indonesia is currently implementing a regional autonomy system, where each region has the right, authority and obligation to self-regulate government affairs. One of the implementations of this system is the financial management of village funds, as regulated in Law no. 6 Year 2014 concerning Villages. Where the Central Government distributes State Budget (APBN) to the Village Government directly so that village development runs smoothly and village budget reporting must be carried out by each village. However, this regional autonomy euphoria has many negative impacts. One that stands out is the emergence of "institutional crime" (Khudori, 2017) .

There is an allocation of the State Budget (APBN) which is allocated to villages with a large enough budget, so that the village becomes the concern of all parties. In the management of village finances, it is necessary to pay attention to and adhere to the general principles of village financial management, namely, village finances must be managed in an orderly manner, obeying statutory regulations, transparent, accountable, and participatory by taking into account the principles of justice, appropriateness and benefits for village communities (Taufik, 2008).

Village financial management is carried out within 1 (one) fiscal year starting from January 1 to December 31 (Reaso, 2015). The Village Head is obliged to carry out village financial management, namely in the form of all Village rights and obligations that can be valued in money as well as everything in the form of money and goods related to the implementation of Village rights and obligations. These rights and obligations then give rise to income, expenditure, financing, and village financial management. In order to support the realization of good governance (good governance) in village administration, village financial management is carried out based on governance principles, namely transparent, accountable and participatory and carried out in an orderly and disciplined budget. In budgeting, public participation is very important to prevent deviant policies (Taufik, 2008).

With the professionalism and competence of the apparatus in managing village finances, it is hoped that the economic and social goals of village government can be achieved. Therefore, the participation of parties outside the village government and the Village Consultative Body (BPD) such as village leaders, religious leaders, farmers, village entrepreneurs, and other community representatives must work together and be involved in the management of village finances. Prasetyo and Muis (2015) state that supervision of village financial management should be carried out professionally, strictly, controlled and with integrity. Research by Fikri, et al. (2015) states that the competence of officials with a lack of understanding of accounting causes unprofessional financial management so that there is potential for fraud. This indicates that the internal control system and the competence of the apparatus must work together in order to prevent fraud.

Efforts to prevent fraud are more effective than repressive measures, this is done to avoid greater losses to the state and damage to the reputation of the institution. Besides that, doing fraud prevention from the start will be better and more effective than detecting after the occurrence of fraud (Abdullahi & Mansor, 2015). Fadilah (2011) states that the internal control system has a direct influence on good governance so that it has implications for fraud prevention. However, the internal control system does not escape its weaknesses, this weakness can be exploited by the perpetrators of fraud (Martani and Zaelani, 2011). If the weaknesses of this system are supported by good apparatus morality, then all types of cheating can be prevented, as research results from Salindeho (2012) state that the morality of government officials stated in government ethics has a strong influence on the performance of the government.

Apparatus competence, adequate internal control systems and the active role of village communities are deemed necessary to be considered in the management of village finances, especially as it is pointed out that there are many problems that occur in village financial management as explained by the KPK and YIPD (Regional Government Observer Foundation) that the distribution of village funds and management is prone to corruption, this is supported by a statement from the Head of the Indonesian Audit Agency for West Java Representative, Kornel Prawiradiningrat, reminding village heads to be extra careful in managing balancing funds.

To identify priorities for fraud prevention based on objectives, knowledge, and experience in compiling models, a comprehensive method is needed such as the AHP method, where the Analytical Hierarchy Process (AHP) method uses the perception of someone who is an expert as the main input, so that it is expected that the model is can really match what is needed in preventing the occurrence of fraud in the financial management of village funds. The output and target expected from the research are to identify the factors that cause a village official to commit fraud and develop a fraud prevention model to optimize the use of the state budget in the implementation of development in Banten Province. AHP is used because this method is relatively good at finding the main priority in the problem structure and finding the necessary solutions (Rusydziana & Devi, 2013).

Research related to the fraud pentagon elements (pressure, opportunity, rationalization, ability, and arrogance) on fraudulent financial reporting has not shown consistent results. The pentagon fraud element proxied by external pressure showed different results. The results of the Saputra & Kesumaningrum (2017) show a positive influence, while a negative influence (Agustina & Pratomo, 2019). Different research results were also obtained from research by Faradiza (2016) and Ulfah et al. (2017) which shows that there is no influence of external pressure on fraudulent financial reporting. The second proxy for pressure is financial targets. The effect of financial targets on fraudulent financial reporting shows an influence in the research conducted by Faradiza (2016) and has a positive effect in research (Zelin, 2018). Meanwhile, research Saputra & Kesumaningrum (2017) and Ulfah et al., (2017) show that there is no influence between financial targets on fraudulent financial reporting.

The third proxy for pressure is financial stability. Research related to the effect of financial stability on fraudulent financial reporting shows an influence between financial stability on fraudulent financial reporting in research Faradiza (2016), and a positive effect (Zelin, 2018). The results of the study are different from previous studies. Zulfa & Bayagub (2017) show that there is no influence between financial stability on fraudulent financial reporting. The fourth proxy for pressure is institutional ownership. There is an influence of institutional ownership on fraudulent financial reporting in research Saputra & Kesumaningrum (2017). Meanwhile, different results resulted from research Zulfa & Bayagub (2017) which states that there is no influence between institutional ownership on fraudulent financial reporting.

Research related to the element of opportunity in the fraud pentagon also shows different results. The first opportunity proxy is ineffective monitoring. ineffective monitoring of fraudulent financial reporting shows that there is a positive influence in Zelin (2018) and Agustina & Pratomo (2019), while different results are shown (Faradiza, 2016), (Saputra & Kesumaningrum, 2017) and (Ulfah et al., 2017) which states that there is no influence between ineffective monitoring on fraudulent financial reporting. Then research related to the effect of opportunity which is proxied by the nature of industry shows that there is an influence with fraudulent financial reporting in Faradiza (2016), and in Zelin (2018) which shows that nature of industry has a negative effect on fraudulent financial reporting.

Furthermore, research related to the effect of rationalization, which is proxied by changes in auditors on fraudulent financial reporting, shows that the results have an effect in Siddiq et al., (2017), and Ulfah et al., (2017) and have a positive effect in Saputra & Kesumaningrum (2017) and Zelin (2018). While different results are shown by Agustina & Pratomo (2019) and Zulfa & Bayagub (2017) which state that there is no influence between auditor changes on fraudulent financial reporting.

The fourth element in the fraud pentagon is ability, the ability to be proxied by changes in board members (Siddiq et al., 2017) and (Zulfa & Bayagub, 2017) state that there is an effect of changes in board members on fraudulent financial reporting. And (Saputra & Kesumaningrum, 2017) states that there is a positive influence between changes in board members on fraudulent financial reporting. Meanwhile, several studies state that there is no influence between changes in board members on fraudulent financial reporting as in (Agustina & Pratomo, 2019), (Ulfah et al., 2017) and (Zelin, 2018).

The last element in pentagon fraud is arrogance, arrogance which is proxied by the number of photos of the CEO in the financial statements regarding fraudulent financial reporting which has not shown consistent results. The results of research (Siddiq et al., 2017) and (Zelin, 2018) show that there is an influence between the number of photos of CEOs in financial reports on fraudulent financial reporting. In contrast to research (Agustina & Pratomo, 2019), (Faradiza,

2016), (Ulfah et al., 2017) and (Zulfa & Bayagub, 2017) which shows there is no influence between the number of CEO photos in financial reports on fraudulent financial reporting. The existence of inconsistencies in the results of previous studies shows that further research is needed regarding pentagon fraud.

From some of the research results above, it can be explained that the approach used in this study still uses a quantitative approach using numerical data, meaning testing the influence of certain variables to determine their impact on fraud in village fund financial management. To develop a model for fraud prevention, first knowing and identifying the causative factors in order to formulate a prevention strategy, this study considers it important to use a qualitative approach, where a qualitative approach can describe phenomena holistically and explain the problems that occur. In order to compile the required data model according to needs, the Analytical Hierarchy Process (AHP) analysis method is also used. Furthermore, previous research also still uses the fraud triangle theory as the basis for its theory in preparing the research framework, but with the increasing prevalence of fraud behavior and technological advances, it is important to develop this theory as developed by Crowe Howarth LLP (Crowe Howarth, 2010). They propose two additional elements, namely competence and arrogance which is then called the crowe's fraud pentagon theory.

Research related to fraud using primary data with interview techniques using questionnaires in data collection, to the best of the researchers' knowledge, is still limited. In addition, the indicators used by previous researchers to obtain secondary data were modified to compile a questionnaire to obtain primary data. The questionnaire that we have created can help future researchers in researching the same topic. The research problems in this study include what problems are the priority in the framework of managing village funds in Indonesia. After that, what solutions and strategies need to be done in response to the problems that occur. This is important to do because according to the author, there is very little or no similar research with this method.

2. Research Method

This research uses a qualitative approach to emphasizes system and sense of social truth that is not simply measured or evaluated in terms of quantity or frequency. The qualitative research focus is to understand how social phenomena are shaped and given meaning. The methodology using research and development to formulate a fraud prevention model in village financial management. Research and development is research carried out by gathering information that can be applied as a study to be developed as a research model.

Analytical Hierarchy Process (AHP) is a functional hierarchy with the main input being human perception. A complex and unstructured problem is broken down into groups which are then arranged into a hierarchical form (Munier & Hontorio, 2021; Yoon, 2021; Brin & Nehme, 2021). AHP can organize parts or variables in a hierarchical arrangement, assign a numerical value to subjective considerations about the importance of each variable that has the highest priority and act in influencing the results in the situation. The AHP method was developed by Thomas L. Saaty in the 1970s.

The AHP method can help solve complex problems by structuring a hierarchy of criteria and drawing various considerations in order to develop weights or priorities. This method also combines the power of feeling and logic concerned on various problems, then synthesizes various various considerations into results that match our estimates intuitively as presented in the judgments that have been made (Saaty, 2021).

In solving problems using the AHP method, there are several principles that must be understood, namely the principle of establishing a hierarchy (*decomposition*), the principle of determining priority (*comparative judgment*), and the principle of logical consistency (*Logical Consistency*). First, the principle of Decomposition, which is to break the whole problem into its elements. Furthermore, if you want to get an accurate result, solving the elements can be done so that no further solutions can be done, resulting in several levels of the problem.

The two principles of Comparative Judgment, namely a principle that makes an assessment of the relative importance of two elements to a certain level related to the level above it. This assessment is the essence of AHP, because this value will affect the priority of each element. The three principles of logical consistency. There are two meanings in consistency, the first is that similar objects can be grouped according to uniformity and relevance. While the second concerns the level of relationship between objects based on certain criteria.

The interaction researchers with the subject are expected to achieve a more detailed interpretation of the study through interviews using the monitoring instruments, notes and observation methods as participants to view the conduct of the observed phenomenon. Total expert respondents or participants in the study were 8 people consisting of academics, practitioners and regulators including consultant of the village head, the Regional Inspectorate, Auditor of Public Accounting Office and the Supreme Audit Agency (BPK) as well as academics. Researchers interact directly with parties involved in village financial management, so that interaction between researchers and subjects without interfering the natural setting is expected. Interviews with stakeholders are carried out with in-depth interviews with experts to determine the information needed by stakeholders. AHP is an expert-based method, so it doesn't require large amounts.

The researcher using the Analytical Hierarchy Process (AHP) method after the data were obtained and analyzed using the application Super Decision 10 to formulate a strategy for the prevention of village fund fraud in Banten Province. This study uses primary data through structured interviews and filling out AHP questionnaires to 8 respondents who are considered experts and competent in financial management. Respondents came from consultant of the village head, the Regional Inspectorate, Auditor KAP and the Supreme Audit Agency (BPK) as well as academics.

This research in formulating a strategy using the Analytical Hierarchy Process (AHP) with the help of the Super Decision 10 application in processing data. The AHP method was chosen to formulate a fraud prevention model in the financial management of government village funds because the AHP method is easy to explain the decision-making process and can be illustrated graphically. In addition, the advantages of the AHP method compared to other decision-making methods lie in the ability of AHP to solve multi objectives and multicritical problems (Saaty & Vargas, 2006). There are three, namely: establishing a hierarchy, setting priorities, logical consistency.

Hierarchy is organized by the recognition of awareness or facts encountered. The arrangement begins with complicated concerns and is separated into its key elements. This basic element is broken down into more detailed sections and so on. The hierarchy of strategic priorities in this study is arranged based on literature studies and interviews with relevant officials. The hierarchical structure consists of five levels, namely level 1 focus, level 2 factors, level 3 actors, level 4 constraints and level 5 models. The ultimate goal of strategy formulation using AHP analysis is to choose the best priority in model building.

The first step in determining the priority of decision-making elements is to make pairwise comparisons. The elements are compared in pairs against predetermined criteria. For this pairwise comparison a matrix form is used. In initiating this pairwise comparison, start at the top of the

hierarchy to select the criteria or trait that will be used to perform the first comparison (focus). The next step to filling in the pairwise comparison matrix is to fill in the value scale based on a number between 1 and 9.

The final step in the analytic hierarchy process is to take into account logical consistency, i.e. all elements are grouped logically and consistently warned according to logical criteria. The analytic hierarchical process measures the overall consistency of various considerations through a consistency ratio. The acceptable consistency value is ≤ 0.1 because if the consistency value is more than 10% it means that the consideration may be somewhat random and needs to be corrected. The results of strategy formulation using AHP according to the hierarchy and priority order of each level are presented in Figure 1.

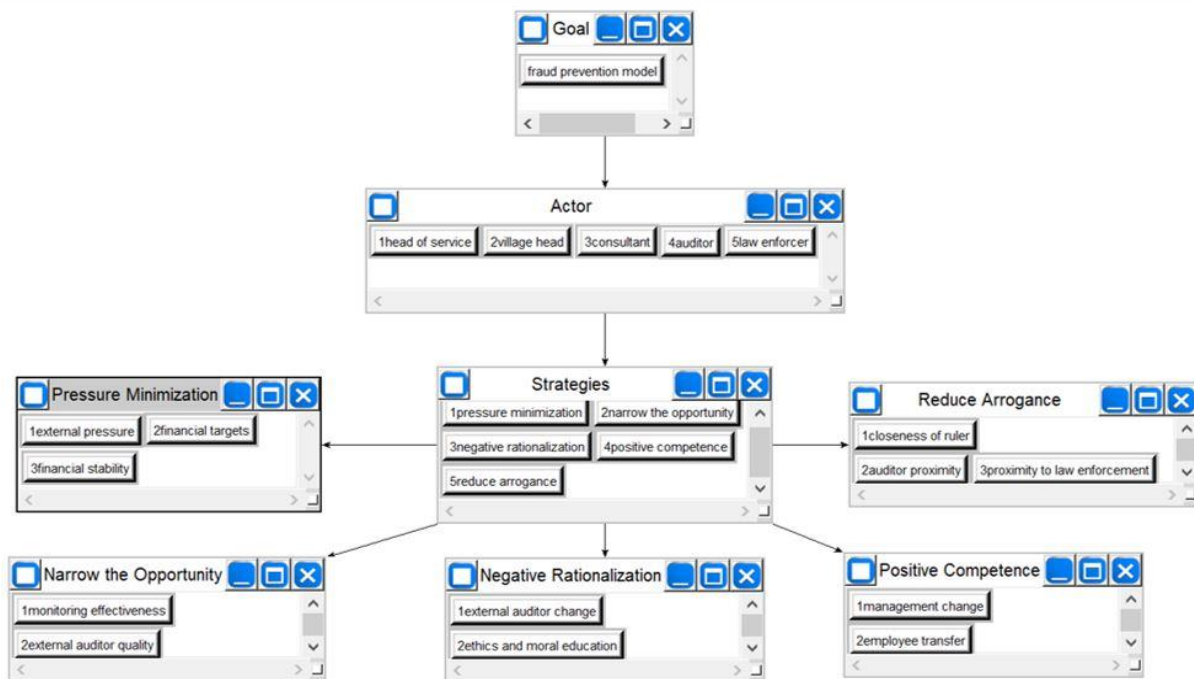


Figure 1. AHP Model Hierarchy Structure Fraud Prevention

3. Results and Discussions

3.1 Goals Actor

Figure 2 shows that there are five aspects to the actor's goals, namely, aspects of the head of the department, village head, consultants, auditors, and law enforcers. Of these five aspects, the village head is the actor's top priority for fraud prevention against the actor's goals with a weight value of 0.314197. The aspect of the head of service is the second priority of the actor with a weighting value of 0.266773, followed by the aspect of consultant being the priority of the third actor with a weight of 0.135845, the aspect of law enforcement is the fourth priority with a weight of 0.095795. the auditor aspect becomes the last preventive actor from fraud on the actor's goals aspect with a weight value of 0.079474. The rater agreement value of the actor's goals is 0.59141 ($w = 0.59141$) which is on a moderate to strong scale, which indicates that experts have the same answer in determining the goals of fraud prevention actors.

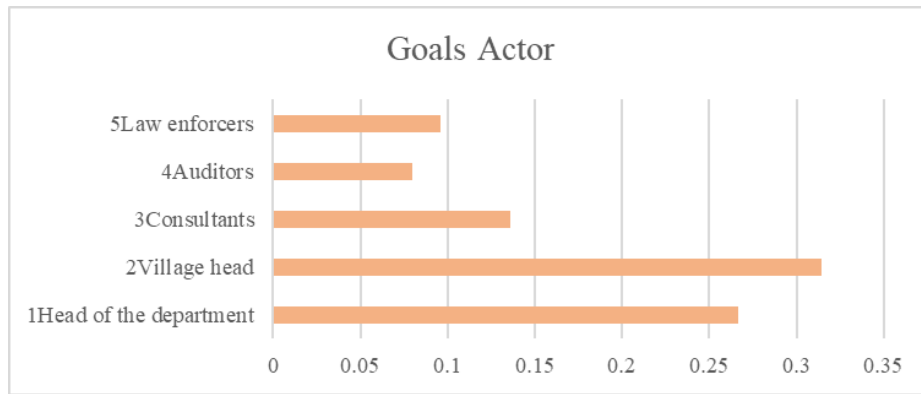


Figure 2. Priority Goals of Actors

3.2 Goals Strategy

Figure 3 shows that there are five aspects to the strategic goals, namely, minimizing pressure, narrowing opportunities, negative rationalization, positive competence and reducing arrogance. Of these five aspects, narrowing down opportunities is a top priority strategy for fraud prevention on strategic goals with a weighting value of 0.317669. The pressure minimization aspect becomes the second strategic priority with a weighting value of 0.222524, followed by the positive competency aspect being the third strategic priority with a weighting value of 0.179211, the lowering arrogance aspect becomes the fourth priority with a weighting value of 0.099976. The negative rationalization aspect becomes the last prevention strategy from fraud on the strategic goals' aspect with a weighting value of 0.099873 The rater agreement value of this actor's goals is 0.46016 ($w = 0.46016$) which is on a moderate to strong scale, which indicates that the experts have answers that are good. the same in determining the priority of fraud prevention solutions.

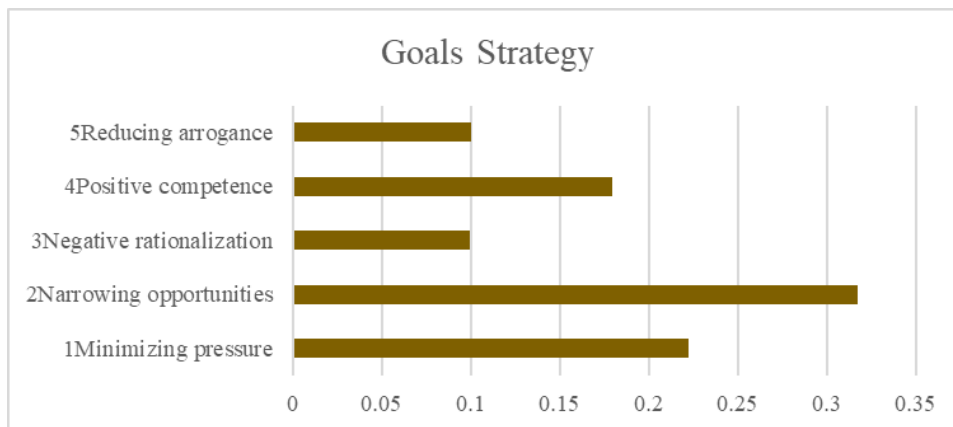


Figure 3. Priority Goals Strategy

3.3 Aspect Strategy

Cluster Strategies to Minimize Pressure

Figure 4 shows that there are three aspects in the pressure minimization strategy cluster, namely, the aspect of minimizing external pressure, minimizing financial targets and positive financial stability. Of these three aspects, external pressure is the main strategy in the cluster strategy to minimize pressure with a weight value of 0.3263131. The aspect of positive financial stability is the second strategic priority with a weighting value of 0.3036588, and financial targets

are the last strategic priority of the prevention of fraud cluster strategy to minimize with a weight value of 0.26644. The rater agreement value of this cluster is 0.5872 ($w = 0.5872$) which is on a moderate to strong scale, which indicates that experts have the same answer in determining the priority of fraud prevention solutions.

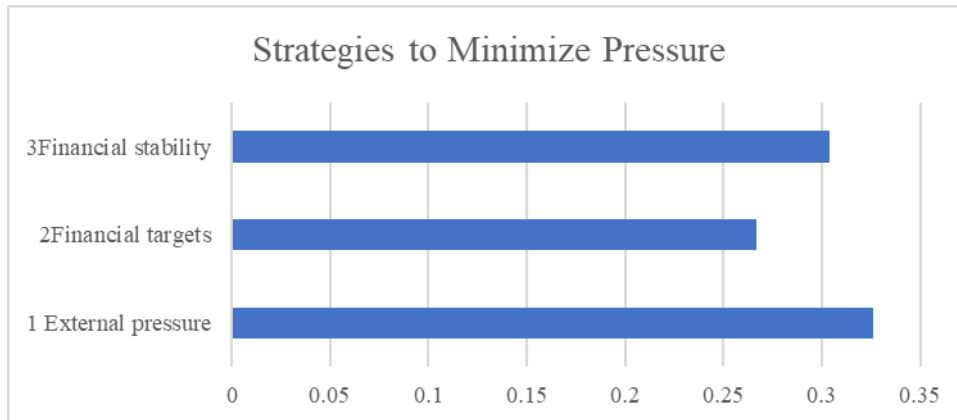


Figure 4. Priority Strategies to Minimize Pressure

Strategy Clusters Narrowing Opportunities

Figure 5 shows that there are two problem aspects in the strategy cluster narrowing the opportunities, namely, aspects of monitoring effectiveness and quality of external auditors. From these two aspects, monitoring effectiveness is the main strategy in the strategy cluster of narrowing the opportunities with a weight value of 0.573522. External audio quality aspect becomes the second strategic priority with a weight value of 0.371881. The rater agreement value of this cluster is 0.25 ($w = 0.25$) which is on a weak to moderate scale, which indicates that experts have very varied answers in determining priority fraud prevention in the strategy cluster narrowing the opportunities.

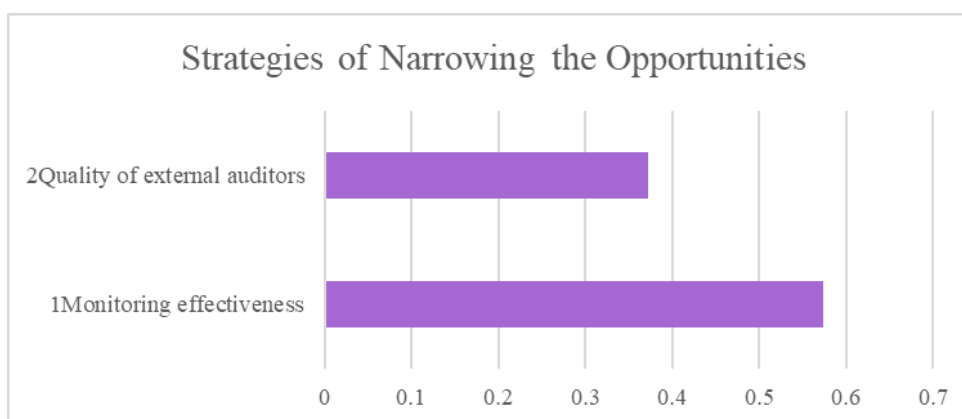


Figure 5. Priority Strategies of Narrowing the Opportunities

Negative Rationalization Strategy Cluster

Figure 6 shows that there are two problem aspects in the negative rationalization strategy cluster, namely, aspects of ethical and moral education and changes in external auditors. From these two aspects, ethical and moral education is the main strategy in the negative rationalization strategy cluster with a weighting value of 0.667705, followed by the aspect of changing the external auditor to become the next strategic priority with a weighting value of 0.317352. The rater

agreement value of this cluster is 0.76563 ($w = 0.76563$) which is on a strong to perfect scale, which indicates that experts have the same answer in determining priorities for fraud prevention.

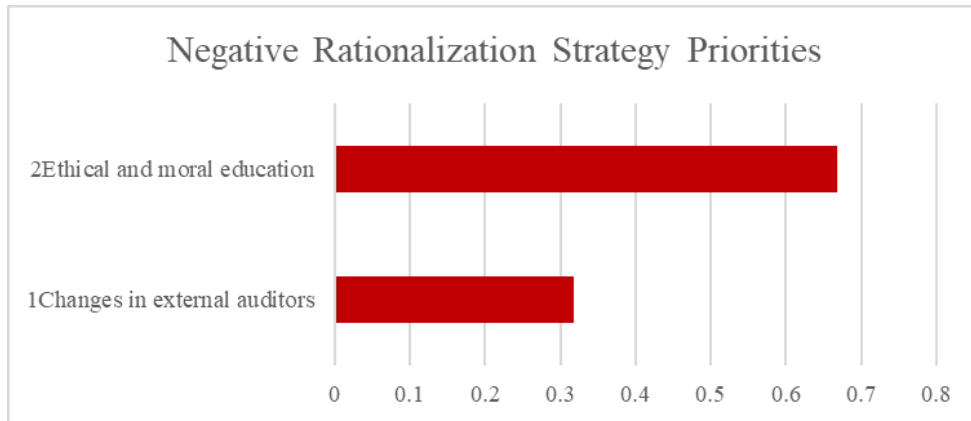


Figure 6. Negative Rationalization Strategy Priorities

Positive Competency Strategy Cluster

Figure 7 shows that there are two problem aspects in the positive competency strategy cluster, namely, aspects of employee mutations and management changes. From these two aspects, management change becomes the main strategy in the positive competency strategy cluster with a weighted value of 0.566014. Mutation of employees is the last strategic priority with a weight value of 0.367018. The rater agreement value of this cluster is 0.14063 ($w = 0.14063$) which is on a weak to moderate scale, which indicates that experts have very varied answers in determining fraud prevention in the positive competency strategy cluster.

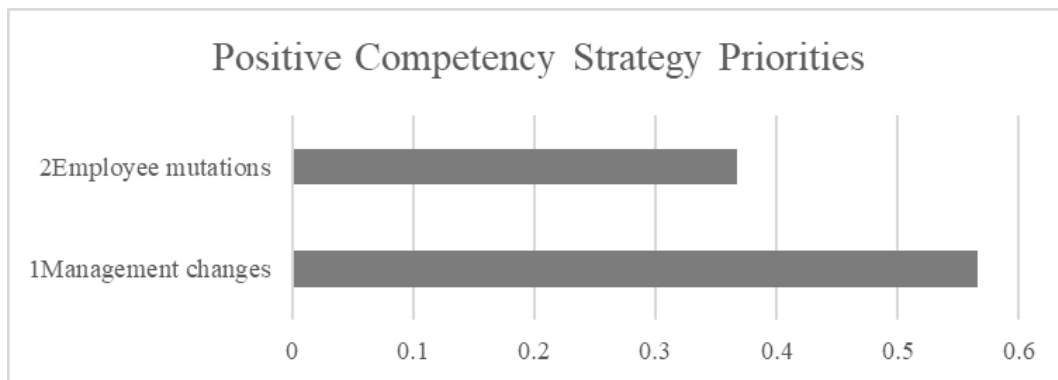


Figure 7. Positive Competency Strategy Priorities

Clusters Lower Arrogance

Figure 8 shows that there are three aspects in the cluster reducing arrogance, namely the closeness of auditors, the closeness of the authorities and the closeness of law enforcers. From these three aspects, the closeness of the ruler is the main strategy in the cluster to reduce arrogance with a weight value of 0.549163. The closeness of law enforcers is the next strategy with a weighting value of 0.264734 and the auditor's closeness aspect is the last strategic priority of fraud prevention in the cluster to reduce arrogance with a weighting value of 0.17411. The rater agreement value of this cluster is 0.84766 ($w = 0.84766$) which is on a strong to perfect scale, which indicates that experts have the same answer in determining fraud prevention in the cluster to reduce arrogance.

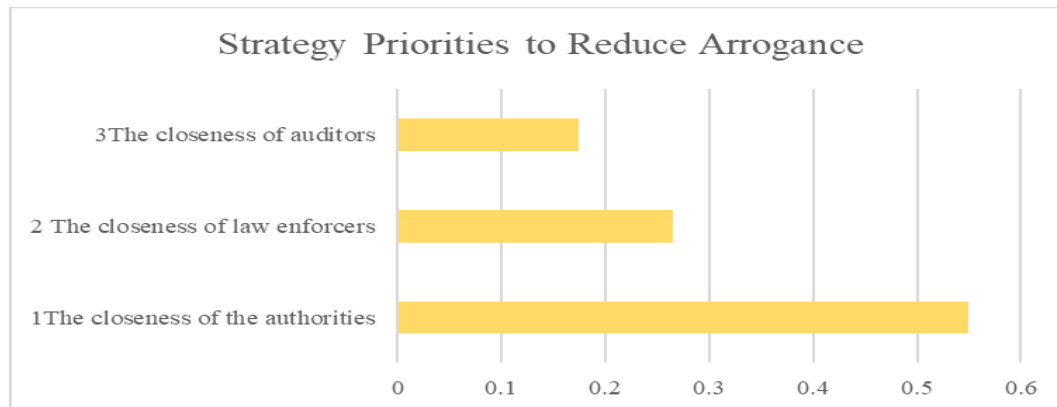


Figure 8. Strategy Priorities to Reduce Arrogance

Accountability in the implementation of the Village Law is very important because the Corruption Eradication Commission (KPK) has conducted a study of the management and allocation of village funds for the 2015 fiscal year. The disbursement of village funds from the central government through budget corruption or fraud. At least, some problems are indicated to occur and are divided into four aspects. Namely aspects of institutional regulations, aspects of management, aspects of supervision, and aspects of human resources. With the distribution of village funds which are nominal in size to each village, competence and close supervision are required from each village government in its management. This is needed to avoid cheating that has been feared by the government and society (Ismail et al., 2016).

Law Number 6 of 2014 concerning Villages aims to provide recognition and clarity to villages regarding their status and position in the constitutional system of the Republic of Indonesia, the State gives authority to the Village in preserving the customs and traditions and culture of the Village community. However, in several regions in Indonesia, the response to this village law can be said to be different from other regions in Indonesia. This is because there are regions that have adhered to the dualism of village governance, and the village law regulates both. Unlike Law No. 5/1979 which only recognizes the *Dinas Desa* as a legal subject, Law No. 6/2014 also recognizes customary villages. In this law, it is explained that both official and customary villages are recognized and treated equally in the eyes of the government. Customary villages and villages can also make changes to achieve effective governance mechanisms (explanation of Law No. 6 of 2014).

Fraud usually occurs when the existing control system is very weak and there is a lack of supervision in financial management. The problems that have been found so far are in the remaining funds, the recruitment system for facilitators, to the accountability or financial reporting of village funds. Several problems were found by the Corruption Eradication Commission (KPK) in the management of village funds, namely that regulatory aspects were still considered weak and some of them overlapping authority between the Ministry of Rural Development and the Ministry of Home Affairs (Saputra et al., 2019).

Moreover, based on a study by the anti-gas commission last year, the formula for distributing village funds in Government Regulation Number 22 of 2015 is not transparent. Meanwhile, regarding management, there is no standard for reference for village officials to design the Village Income and Expenditure Budget. Accountability reports are also considered prone to being faked. The alleged game play by the mafia infiltrating the villages on behalf of the villagers.

So, it can be concluded that the potential for fraud is very large in the management of village funds, especially with the dualism of village government in Bali with different interests and the

competence of village human resources the agency has not met expectations to promote accountability. In practice, the village apparatus rely on village assistants in all matters of reporting and financial accountability.

Based on the analysis that has been carried out, the results show that the main actor who plays the most important role in preventing fraud in village funds is the village head. This is because the village head is the party who receives village funds directly (Sujana et al., 2020), so that fraud prevention can be done early on by the village head. On the other hand, the main actor that is often found in fraud is the village head (Fachrurrozie et al., 2020), especially in the case of corruption in the allocation of village funds (ADD) (Wahyudin et al., 2020). From 2015 to 2017, more than 900 village heads were involved in cases of misuse of village funds (Wahyudin et al., 2019). This is an input for villages throughout Indonesia to pay more attention to the capabilities of the village heads they choose (Puspasari, 2015), because village heads should instead build good relations with officials and synergize with various communities to participate in managing more village funds good (Saputra et al., 2020).

In minimizing fraud in village funds, this study analyzes five aspects of the strategy, but the results show that narrowing down opportunities is the strategy that is prioritized most. Most of the fraud that occurs is due to opportunities at each level of the organization (Petraşcu & Tieanu, 2014), in addition to reasons of rationalization or financial pressure contained in the fraud triangle (Puspasari, 2015), although this opportunity arises because it is not yet effective Internal audit / control, the lack of community participation involved (Munir et al., 2020), can still be narrowed by, for example, improving the quality of audits and internal controls, implementing reporting policies, having regular staff rotations / changes and setting up fraud hotlines (Othman et al., 2015).

Based on the five fraud prevention strategies in village funds, each fraud has its own aspects. In the strategy cluster to minimize pressure, there are three aspects, namely external pressure, financial stability and financial targets. Based on the weight value obtained by each aspect, the priority is external pressure with a weight value of 0.3263131. One form of fraud, namely corruption is caused by external pressure according to the fraud theory (Fachrurrozie et al., 2020), which is due to bad governance (Wahyudin et al., 2020), the pressure in question can be in the form of financial pressure, such as debt, style living in luxury, dependence on drugs and others (Puspasari, 2015), apart from that, external pressure is also in the form of pressure to meet certain demands beyond their means (Othman et al., 2015) or the difference between payment and responsibility (Petraşcu & Tieanu, 2014).

4. Conclusions

This research tries to analyze the Village Fund financial fraud prevention model using multicriteria decision making. By using AHP technique, the results of this study indicate that the actor who is considered the most dominant in the occurrence of fraud is the Village Head. The strategy that becomes the first priority in efforts to prevent village fund fraud are to narrow the opportunities, minimizing pressure, positive competence, reducing arrogance and last but not least is negative rationalization. This research is expected to be able to fill the research gap, especially regarding the application of the AHP MCDM model in the Village Fund financial fraud prevention model.

For theoretical implications, the results of this study support the Pentagon Fraud theory with 5 factors that cause fraud by adding prevention strategies for each causal factor, identifying actors, and adding aspects of the prevention strategy. Meanwhile, from a practical point of view, there is a need for extra monitoring of the Village Head as the main actor managing village funds and the

first priority is the prevention of fraud based on the results of this study. In addition, there is also a need for ongoing training to avoid fraud due to misunderstandings and as an effort to foster independence in the management of village funds and the efficiency of mentoring funds.

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